

Twenty-Second Annual Report  
**CANDORE EXPLORATIONS LIMITED**

©

*For the Year Ended December 31, 1967*



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*Tall*  
**CANDORE EXPLORATIONS LIMITED**  
25 Adelaide Street West, Toronto

SEMI-ANNUAL REPORT

JUNE 30, 1967

To the Shareholders:

The following is a summary of the company's exploration activities during 1967 to date:

**Township 156, Ontario**

Denison Mines Limited completed more than the 5,000 feet of diamond drilling required by the working option agreement of October 28, 1966. As this drilling did not encounter favourable geological structure, the program was discontinued. Denison's option on this property expires April 15, 1968. It has the sole and exclusive right until that date to decide whether or not it will explore this property further.

**Gand Township, Quebec**

As reported in the 1966 Annual Report, the 5,195 feet of diamond drilling done earlier this year outlined gold mineralization within a sedimentary formation for a strike length of over 1,600 feet.

Subsequent to June 30, 1967, the company examined a parallel zone approximately one mile south of the aforesubscribed structure by 1,318 feet of diamond drilling. Results from this drilling are now being appraised.

Respectfully submitted on behalf of the Board,

*H. W. McCord*  
President.

Toronto, Ontario,  
August 21, 1967.

# CANDORE EXPLORATIONS LIMITED

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## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

|  | January 1 to June 30 |           |
|--|----------------------|-----------|
|  | 1967                 | 1966      |
| <b>Source of Funds</b>                   |                      |           |
| Miscellaneous income .....               | \$ 2,099             | \$ 1,374  |
|  | <hr/>                | <hr/>     |
| <b>Application of Funds</b>              |                      |           |
| Administrative expenditures              |                      |           |
| Administrative services .....            | \$ 3,000             | \$ 3,000  |
| Directors' fees .....                    | 250                  | 250       |
| General expenses .....                   | 682                  | 68        |
| Legal and audit .....                    | 200                  | 100       |
| Share issue expenses .....               | —                    | 199       |
| Shareholders' reports and meetings ..... | 1,011                | 922       |
| Transfer agent's fees and expenses ..... | —                    | 1,081     |
|  | <hr/>                | <hr/>     |
|  | \$ 5,143             | \$ 5,620  |
|  | <hr/>                | <hr/>     |
| Exploration expenditures                 |                      |           |
| Strathcona Township, Ontario .....       | \$ 221               | \$ 5,513  |
| Gand Township, Quebec .....              | 49,177               | 2,006     |
| Senneterre Township, Quebec .....        | 440                  | 120       |
| Township 150, Ontario .....              | 40                   | 14        |
| Township 156, Ontario .....              | 1,308                | 94        |
| Townships 169 and 176, Ontario .....     | —                    | 1,165     |
| Phillips Township, Ontario .....         | —                    | 3,807     |
|  | <hr/>                | <hr/>     |
|  | \$ 51,186            | \$ 12,719 |
|  | <hr/>                | <hr/>     |
| Investments .....                        | \$ —                 | \$ 5,000  |
|  | <hr/>                | <hr/>     |
| Total applications .....                 | \$ 56,329            | \$ 23,339 |
|  | <hr/>                | <hr/>     |
| Decrease in Working Capital .....        | \$ 54,230            | \$ 21,965 |
|  | <hr/>                | <hr/>     |

# CANDORE EXPLORATIONS LIMITED

25 Adelaide Street W., Toronto 1

(Incorporated under the Laws of the Province of Ontario)

## OFFICERS

|              |           |                     |
|--------------|-----------|---------------------|
| H. R. HEARD  | - - - - - | President           |
| K. J. BENNER | - - - - - | Vice-President      |
| J. GEDDES    | - - - - - | Secretary-Treasurer |

## DIRECTORS

|                |           |                   |
|----------------|-----------|-------------------|
| H. R. HEARD    | - - - - - | Toronto, Ontario  |
| K. J. BENNER   | - - - - - | Toronto, Ontario  |
| J. GEDDES      | - - - - - | Clarkson, Ontario |
| M. KIRSH       | - - - - - | Toronto, Ontario  |
| P. J. SULLIVAN | - - - - - | Toronto, Ontario  |

## AUDITORS

MCDONALD, NICHOLSON & Co.  
Toronto, Ont.

## REGISTRAR AND TRANSFER AGENT

THE STERLING TRUSTS CORPORATION  
372 Bay Street, Toronto, Ontario

# CANDORE EXPLORATIONS LIMITED

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## *President's Report to the Shareholders*

On behalf of the directors of Candore Explorations Limited, I am pleased to present to you the 22nd Annual Report containing financial statements as at December 31, 1967, reported upon by your Auditors, McDonald, Nicholson & Co., Chartered Accountants.

During 1967 Candore expended \$64,402 on exploration.

### **Gand Township, Opawica Area, Quebec**

The major exploration project undertaken by the company in the year under review was a continuation of examination of the Gand Township claims. The cost thereof amounted to \$61,848.

Magnetometer and Induced Polarization surveys on the main zone, followed by some 5,200 feet of diamond drilling were completed. Surface examination and 1,380 feet of diamond drilling were carried out on a second zone, approximately three-quarters of a mile south of the main zone. Mineralization and low gold values over substantial lengths and widths were encountered.

After extensive study and review of the results it was decided to retain the 34 most interesting claims and to allow the remainder to lapse. This property could prove to be important to the company if gold should become a more valuable commodity.

### **Township 156, District of Algoma, Ontario**

Pursuant to the agreement dated October 28, 1966, between the company and Denison Mines Limited, Denison expended some \$37,700 on diamond drilling and geological mapping of Candore's property in Township 156 in the Elliot Lake District.

Denison completed a total of 5,028 feet of diamond drilling in three holes. Two of these penetrated the overlying sediments and were terminated in basement volcanic rocks, with no significant radioactivity being noted. No work has been done on this property since the Fall of 1967.

**General**

As indicated in its last Annual Report, the company allowed its interest in the Strathcona property to lapse.

Although the company is not actively engaged in exploration at the time of writing this report, through its many contacts in the mining industry and related fields it is seeking a mining property that merits exploration.

The Annual Meeting of Shareholders will be held in Suite 416, 25 Adelaide Street West, Toronto 1, Ontario, on Wednesday, June 26, 1968. Shareholders are invited. If you are unable to attend in person and wish to be represented, you may do so by appointing your proxy. A form for your use in this connection is enclosed.

Respectfully submitted on behalf of the Board,

H. R. HEARD,

President.

Toronto, Ontario,  
June 12, 1968.

# CANDORE EXPLORATIONS LIMITED

(Incorporated under the Laws of Ontario)

## Balance Sheet

(With comparative figures)

### ASSETS

#### CURRENT ASSETS

|                               | 1967         | 1966          |
|-------------------------------|--------------|---------------|
| Cash in banks                 | \$ 5,389     | \$ 21,764     |
| Accounts receivable           | 10,141       | 14,884        |
| Bank deposit receipts, 5 3/4% | 50,000       | 100,000       |
|                               | <hr/> 65,530 | <hr/> 136,648 |

#### INVESTMENTS

|   |              |              |
|---|--------------|--------------|
| Unlisted shares and other investments at cost, less allowance for possible loss on realization (1967 allowance \$54,000, 1966 allowance \$54,000) | 22,664       | 22,664       |
| Oil royalty interest, at nominal value  | 1            | 1            |
|   | <hr/> 22,665 | <hr/> 22,665 |

#### INTEREST IN SUBSIDIARY COMPANY

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Dolphin-Miller Mines Limited (Note 2) |               |               |
| Shares, at cost                       | 109,225       | 109,225       |
| Advances                              | 21,130        | 21,130        |
|                                       | <hr/> 130,355 | <hr/> 130,355 |

#### INTEREST IN AND EXPENDITURES ON MINING PROPERTIES, at cost (Note 1)

|   |                         |                         |
|---|-------------------------|-------------------------|
| Mining Properties, per schedule herewith, including a valuation of \$95,000 attributed to 550,000 shares of capital stock issued for claims | 198,312                 | 200,800                 |
| Deferred exploration expenditures, per statement herewith   | 224,617                 | 167,047                 |
| Expenditures re Pidgeon Molybdenum Mines Ltd.—Recoverable from production profits only  | 61,504                  | 61,504                  |
| Machinery and equipment   | 669                     | 669                     |
|   | <hr/> 485,102           | <hr/> 430,020           |
|   | <hr/> 10,243            | <hr/> 10,243            |
|   | <hr/> <u>\$ 713,895</u> | <hr/> <u>\$ 729,931</u> |

The accompanying notes form an integral part of these financial statements.

#### AUDITORS

To the Shareholders,  
CANDORE EXPLORATIONS LIMITED,  
TORONTO, Ontario.

We have examined the balance sheet of Candore Explorations Limited, and the related statements of expenditure and source and disposition of funds for the year ended on that date, and the results of our tests of accounting records and other supporting evidence as we considered necessary.

In our opinion the accompanying balance sheet and related statements fairly represent the financial position of the company as at December 31, 1967, and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with those of the preceding year.

TORONTO, March 4, 1968.

# ACTIONS LIMITED

(*of the Province of Ontario*)

*December 31, 1967*

(At December 31, 1966)

## LIABILITIES

### CURRENT LIABILITIES

|  | 1967            | 1966            |
|--|-----------------|-----------------|
| Accounts payable and accrued liabilities | <u>\$ 4,795</u> | <u>\$ 4,697</u> |

### SHAREHOLDERS' EQUITY

#### Capital stock

|  |                     |  |
|--|---------------------|--|
| Authorized 5,000,000 shares of par value \$1.00 each | <u>\$ 5,000,000</u> |  |
|--|---------------------|--|

|  |           |           |
|--|-----------|-----------|
| Issued and fully paid — 4,610,000 shares | 4,610,000 | 4,610,000 |
|--|-----------|-----------|

|                       |           |           |
|-----------------------|-----------|-----------|
| <i>Less:</i> Discount | 2,882,000 | 2,882,000 |
|-----------------------|-----------|-----------|

1,728,000 1,728,000

|  |         |         |
|--|---------|---------|
| Surplus arising from reorganization of capital structure | 162,978 | 162,978 |
|--|---------|---------|

1,890,978 1,890,978

|                                 |           |           |
|---------------------------------|-----------|-----------|
| Deficit, per statement herewith | 1,181,878 | 1,165,744 |
|---------------------------------|-----------|-----------|

709,100 725,234

Approved on behalf of the Board:

H. R. HEARD, Director.

K. J. BENNER, Director.

\$ 713,895 \$ 729,931

Integral part of this statement.

## REPORT

December 31, 1967, together with the statements of deficit, deferred exploration and examination included a general review of the accounting procedures and such circumstances.

Deficit, deferred exploration expenditure and source and disposition of funds present its operations and the source and disposition of funds for the year ended on that inconsistent with that of the preceding year.

McDONALD, NICHOLSON & CO.,  
Chartered Accountants.

# CANDORE EXPLORATIONS LIMITED

## *Statement of Deficit*

For the year ended December 31, 1967

(With comparative figures for the year ended December 31, 1966)

|   | <u>1967</u> | <u>1966</u> |
|---|-------------|-------------|
| BALANCE, January 1  | \$1,165,744 | \$1,085,335 |
| <i>Add:</i>   |             |             |
| Mining properties abandoned                               |             |             |
| Cost of claims  | 2,500       | —           |
| Exploration expenditures thereon                          | 6,832       | 7,921       |
| Provision for possible loss on realization of investments | —           | 54,000      |
| Amount written off oil royalty interest                   | —           | 9,555       |
|   | 1,175,076   | 1,156,811   |
| Administrative Expenses                                   |             |             |
| Annual meeting expenses                                   | 1,592       | 1,778       |
| Directors' fees   | 375         | 500         |
| Administrative services                                   | 6,000       | 6,000       |
| Legal and audit   | 650         | 650         |
| Printing, stationery and office expense                   | 510         | 1,184       |
| Public relations  | 214         | 125         |
| Taxes other than income                                   | 180         | 11          |
| Transfer agent's fees and expenses                        | 1,238       | 1,442       |
|   | 10,759      | 11,690      |
| Less: Interest income                                     | 3,957       | 2,757       |
|   | 6,802       | 8,933       |
| BALANCE, December 31, 1967, transferred to balance sheet  | \$1,181,878 | \$1,165,744 |

The accompanying notes form an integral part of this statement.

# CANDORE EXPLORATIONS LIMITED

## *Statement of Source and Disposition of Funds*

For the year ended December 31, 1967

(With comparative figures for the year ended December 31, 1966)

| SOURCE OF FUNDS                              | 1967      | 1966       |
|--|-----------|------------|
| Sale of capital stock                        | \$ —      | \$ 92,000  |
| Interest received                            | 3,957     | 2,757      |
| Property option payment received             | —         | 10,000     |
|  | 3,957     | 104,757    |
| DISPOSITION OF FUNDS                         |           |            |
| Exploration expenditure                      | 64,402    | 33,897     |
| Property purchase and option payments        | 12        | 965        |
| Investments and interests in other companies | —         | 10,000     |
| Administrative expenses                      | 10,759    | 11,690     |
|  | 75,173    | 56,552     |
| INCREASE (DECREASE) IN WORKING CAPITAL       | (71,216)  | 48,205     |
| Working capital, January 1                   | 131,951   | 83,746     |
| WORKING CAPITAL, December 31                 | \$ 60,735 | \$ 131,951 |
| Current assets                               | 65,530    | 136,648    |
| Current liabilities                          | 4,795     | 4,697      |
| WORKING CAPITAL                              | \$ 60,735 | \$ 131,951 |

The accompanying notes form an integral part of this statement.

# CANDORE EXPLORATIONS LIMITED

## *Statement of Deferred Exploration Expenditures*

For the year ended December 31, 1967

(With comparative figures for the year ended December 31, 1966)

| EXPLORATION EXPENDITURES DURING YEAR  | 1967       | 1966       |
|---|------------|------------|
| Diamond drilling  | \$ 35,383  | \$ 17,238  |
| Engineering and technical supervision   | 10,710     | 8,301      |
| Geophysical and other surveys   | 9,944      | 2,225      |
| Camp maintenance  | 4,005      | 2,467      |
| Taxes and other government fees   | 1,456      | 1,339      |
| General expense   | 2,904      | 2,327      |
|   | 64,402     | 33,897     |
| Balance, January 1  | 167,047    | 141,071    |
|   | 231,449    | 174,968    |
| <i>Deduct:</i> Amounts expended on properties abandoned, transferred to deficit                               |            |            |
| General prospecting, Ontario  | —          | 761        |
| Phillips Township, Ontario  | —          | 3,808      |
| Hepburn Township, Ontario   | —          | 1,353      |
| Townships 169 and 176, District of Algoma, Ontario  | —          | 1,999      |
| Strathcona Township, Ontario  | 6,832      | —          |
|   | 6,832      | 7,921      |
| BALANCE, December 31, transferred to balance sheet,<br>representing expenditures on the following properties: | \$ 224,617 | \$ 167,047 |
| Strathcona Township, Ontario  | \$ —       | \$ 6,611   |
| Gand Township, Quebec   | 120,714    | 58,866     |
| Township 156, District of Algoma, Ontario   | 49,566     | 47,790     |
| Senneterre Township, Quebec — Group #1  | 46,546     | 46,426     |
| Senneterre Township, Quebec — Group #2  | 570        | 250        |
| Township 150, Blind River Area, Ontario   | 7,221      | 7,104      |
|   | \$ 224,617 | \$ 167,047 |

The accompanying notes form an integral part of this statement.

# CANDORE EXPLORATIONS LIMITED

## *Schedule of Mining Properties*

December 31, 1967

(With comparative figures at December 31, 1966)

|   | Number of<br>Claims Held | Book Value        |                   |
|---|--------------------------|-------------------|-------------------|
|   |                          | 1967              | 1966              |
| <b>PATENTED MINING CLAIMS</b>   |                          |                   |                   |
| Township 156, District of Algoma, Ontario (250,000 shares and \$40,285. cash) | 32                       | \$ 80,285         | \$ 80,285         |
| Township 150, Blind River Area, Ontario (cash)                                | 6                        | 32,550            | 32,550            |
| <b>UNPATENTED MINING CLAIMS</b>   |                          |                   |                   |
| Gand Township, Quebec (cash)  | 47                       | 10,477            | 10,465            |
| Senneterre Township, Quebec — Group #1 (300,000 shares and \$20,000. cash)    | 4                        | 65,000            | 65,000            |
| Senneterre Township, Quebec — Group #2 (cash)                                 | 4                        | 10,000            | 10,000            |
| <b>OPTIONS</b>  |                          |                   |                   |
| Strathcona Township, Ontario (cash)   | 42                       | —                 | 2,500             |
|   |                          | <u>\$ 198,312</u> | <u>\$ 200,800</u> |

The accompanying notes form an integral part of this statement.

## *Notes to Financial Statements*

December 31, 1967

### 1. MINING PROPERTIES

By agreement dated October 28, 1966, the company granted to Denison Mines Limited a working option on its mining property in Township 156, District of Algoma, Ontario, for (1) \$10,000 cash and (2) an undertaking to do at least 5,000 feet of diamond drilling by October 15, 1967.

In consideration of the aforesaid payment and undertaking and a further payment, at its option, of \$15,000 cash by April 15, 1968, Denison shall have the right to incorporate a 5,000,000 share company to acquire the mining property for 700,000 shares to be issued to Candore and 50,000 to Denison. A maximum of 1,000,000 shares in the capital of the new company will be issued to Denison for not less than 15¢ per share for exploration expenditures and/or for cash.

After the issue of the aforesaid 1,750,000 shares, further financing of the new company will be in blocks of 400,000 shares each at 25¢, 35¢, 45¢, 55¢, 65¢ and 75¢ per share. Candore has the right to participate to the extent of 25% of such further financing.

By agreement dated October 28, 1966, Candore acknowledged that Mid-North Engineering Services Limited was instrumental in and responsible for negotiating the above contract on Candore's behalf. In consideration therefor the company has granted Mid-North an option (1) to buy for \$10,500, 70,000 of the shares of the new company issued to Candore; (2) to participate to the extent of 10% in Candore's 25% interest in the further financing of the new company, and (3) to exercise any portion of Candore's participation in the financing of the new company that is not exercised by Candore.

### 2. SUBSIDIARY COMPANY

The accounts of the subsidiary, Dolphin-Miller Mines Limited, have not been consolidated with those of the Company due to the substantial minority interests; its property remains in the development stage and expenditures since acquisition of control have been deferred to future operations.

### 3. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Remuneration of directors and senior officers during the year ended December 31, 1967, amounted to \$375.00 (\$500.00 in 1966).

